

# Kenai Peninsula Borough

## Central Emergency Services

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*  
Brandi Harbaugh, Finance Director *BH*

**FROM:** Roy Browning, Central Emergency Services Chief *RB*  
John Hedges, Purchasing & Contracting Director *JH*

**DATE:** June 9, 2022

**RE:** Ordinance 2022-24, Providing for the Submission to the Qualified Voters of the Central Emergency Service Area in the Kenai Peninsula Borough at the Regular Election on October 4, 2022, the Question of the Issuance of Not-To-Exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) of General Obligation Bonds of the Central Emergency Service Area to Pay the Cost of Replacing Central Emergency Services Fire Station #1 in and for the Service Area (Mayor)

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CES Soldotna Fire Station #1 (CES Station 1) was constructed in 1956 as a community hall. Subsequent additions in 1964-1967, 1973 and 1984, converted this building to the current fire station it is today. Even with these additions, the station has failed to keep up with today's operations and demands. All reasonable measures for station expansion to meet safety services have been exhausted. CES Station 1 is the busiest fire station on the Kenai Peninsula, responding to over 2,500 emergencies from this station alone. CES Station 1 is the primary response station, centrally located, staffed to provide initial and supplemental support to the four other fire stations serving the approximately 25,000 service area residents.

Beginning in 2004, the CES Service Area Advisory Board begin evaluating the need for renovation or replacement of CES Station 1. It was determined that the current fire station facility was inadequate for the daily operations, emergency response, workload, and staffing to meet the demands of the Central Emergency Service Area. The Borough has completed a preliminary engineering report and study that documented many issues indicating that the current station is undersized, has structural and building code deficiencies, lack of storage, living, office, fire truck and ambulance space. The parking area is too small for volunteer and off-duty response to the station during emergencies as well as for training events.

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The CES Service Area has recommended that replacing CES Station 1 as the number 1 priority since 2015 and requests that the administration to seek funding for the construction for a new fire station through the issuance of general obligation bonds.

As described in the ordinance, the total amount of \$16,500,000 will be used to pay for the cost of planning, design, site preparation, construction, procurement, installation, equipping a new CES fire Station, and related costs of financing.

#### Financial Impact

The issuance of not to exceed \$16,500,000 of Central Emergency Service Area general obligation bonds for the above project is expected to have annual debt service requirements of approximately \$1,170,000. The resulting impact on the annual tax levy would be an increase of approximately \$36 per \$100,000 of assessed taxable property value (based on the total FY2023 assessed valuation, a 3.5% average rate of interest and a 20-year payback period). Completion of the project is expected to result in lower operating and maintenance costs for the service area in addition to reducing energy consumption. The new station facility will allow Administration, Training and Emergency Responders to be under one headquarters fire station. Currently, they are located at other borough facilities which causes additional overhead costs to the service area, by having a larger facility all personal would operate jointly at the new CES fire station.

Seeking voter authorization from the Central Emergency Service Area to issue a not to exceed general obligation bond in the amount not to exceed \$16.5 million to finance a new fire station is in the best interest of the Borough and its residents.

Your consideration of the ordinance is appreciated.